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LJ
G

September 30, 2019

Louisiana Board of Ethics
Attn: Mr. Gregory L. Thibodeaux, Staff Attorney
PO Box 4368
Baton Rouge, LA 70821

Mr. Thibodeaux,

I hope this letter finds you well. I am writing today to request an advisory opinion of the Louisiana Board of Ethics regarding my current candidacy for the Lincoln Parish Police Jury (Oct. 12th Primary), and my continued employment by Argent Mineral Management, LLC.

Argent Mineral Management, LLC is a wholly owned subsidiary of Argent Financial Group, Inc (AFG). AFG is a privately-owned wealth management firm with 35 offices across 12 southern states, employing approximately 300 professionals with responsibility for more than \$21 billion in client assets. An AFG subsidiary, Argent Advisors, Inc. performs financial services for the Lincoln Parish Police Jury, managing approximately \$10,000,000 in assets, the majority of which is held in their "Hospital Proceeds Fund."

I am a salaried employee of Argent Mineral Management, LLC and own a mere 180 shares of the 1,282,000 outstanding shares of AFG stock, roughly one one-hundredth of a percent (.01%). I am not an officer, director, trustees, or partner of the holding company (AFG) or any of its subsidiaries, and receive no compensation or commission from Argent Advisors, Inc. I would like the opinion of the board regarding my continued employment at Argent Mineral Management, LLC if indeed I am elected to the Lincoln Parish Police Jury. I also requesting the exception referenced in Docket No. BD82-02D, a copy of which is attached, be applied as was in Docket No. 2018-776 (also attached).

I appreciate your time and consideration of this matter.

With best personal regards,

A handwritten signature in dark ink, appearing to read "Logan J. Hunt", with a long horizontal line extending to the right.

Logan J. Hunt, CPL
lhunt@argentmineral.com
318.251.5830

Enclosures

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STATE OF LOUISIANA
DEPARTMENT OF STATE CIVIL SERVICE
LOUISIANA BOARD OF ETHICS

P. O. BOX 4368
BATON ROUGE, LA 70821
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August 20, 2018

Mr. Eric P. Duplantis
Assistant District Attorney
16TH Judicial District
500 Main St.
Franklin, LA 70538

Re: Ethics Board Docket No. 2018-776

Dear Mr. Duplantis:

The Louisiana Board of Ethics, at its August 17, 2018 meeting, considered your request for an advisory opinion regarding whether the Code of Governmental Ethics would prohibit a construction company, Pelican Contractors of Louisiana, LLC, from transacting business with St. Mary Parish when a St. Mary Parish Councilman, Dale Rogers is an employee of Pelican Contractors of Louisiana. You provided two scenarios for consideration. In the first scenario you stated that Dale Rogers was merely an employee with no ownership interest in the construction company and he would receive no commission if the construction company were to transact business with the parish. In the second scenario you stated that the parish councilman owned more than twenty-five (25%) percent of the construction company.

The Board concluded and instructed me to inform you, that generally the Louisiana Code of Governmental Ethics (Code) would prohibit St. Mary Parish from transacting business with a construction company that employs a St. Mary Parish councilman. **La. R.S. 42:1111C(2)(d)** prohibits a public servant and a legal entity in which the public servant exercises control or owns an interest in excess of twenty-five percent, from receiving any thing of economic value for services rendered to or for any person during his public service unless such services are neither performed for nor compensated by any person who has or is seeking to have a contractual, business or financial relationship with the public servant's agency. However, you provided information that Dale Rogers is a salaried or wage-earning employee of the construction company, his salary would be unaffected by the contractual relationship between the construction company and St. Mary Parish, and Dale Rogers owns no more than twenty-five percent of the company and is not an officer, director, trustee, or partner of the company. Given those facts, the Board applied the exception in BD82-02D, a copy of which is attached, and concluded that the Code would not prohibit the construction company from transacting business with St. Mary Parish.

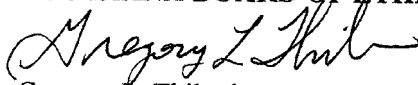
However, **La. R.S. 42:1114** requires Mr. Rogers to file an annual statement by May 15TH disclosing the income he received in the prior calendar year from Pelican Contractors of Louisiana. A copy of the form to facilitate this filing is enclosed.

Mr. Eric P. Duplantis
August 20, 2018
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As to the second scenario, the Board does not have sufficient information on which to base its opinion as to whether the Code would prohibit the conduct in question.

This advisory opinion is based solely on the facts as set forth herein. Changes to the facts presented may result in a different application of the provisions of the Code of Ethics. The Board issues no opinion as to past conduct or laws other than Code of Governmental Ethics. If you have any questions, please contact me at (225) 219-5600 or (800) 842-6630.

LOUISIANA BOARD OF ETHICS

A handwritten signature in cursive script, appearing to read "Gregory L. Thibodeaux".

Gregory L. Thibodeaux
For the Board

BOARD OF ETHICS FOR ELECTED OFFICIALS

DATED: May 17, 1982

FILED: May 17, 1982

ADVISORY OPINION NO. 82-02 D

The Board has received a request for an opinion as to the propriety of the following:

"A" is a member of the "XYZ" Parish Council. "A" is employed by the "ABC" Company. "A" has no financial interest in the "ABC" Company and all benefits and wages received by "A" are administered pursuant to a collective bargaining contract. May "A" vote on (1) an application to rezone property owned by the "ABC" Company and (2) resolutions and ordinances to authorize the issuance of revenue bonds to finance the acquisition and construction of pollution control facilities and improvements to be leased to or sold to the "agency".

The Board views as controlling the provisions of Sections 1111 C(2)(d) and 1112 B(3) of the Code which provide respectively as follows:

"1111. Payments from nonpublic sources

* * * * *

C. Payments for nonpublic service.

* * * * *

(2) No public servant shall receive any thing of economic value for or in consideration of services rendered, or to be rendered, to or for any person during his public service unless such services are:

* * * * *

(d) neither performed for nor compensated by any person from whom such public servant would be prohibited by R.S. 42:1115 from receiving a gift.

* * * * *

1112. Participation in certain transactions involving the governmental entity

* * * * *

B. No public servant, except as provided in R.S. 42:1120, shall participate in a transaction involving the governmental entity in which, to his actual knowledge, any of the following persons has a substantial economic interest:

* * * * *

(3) Any person of which he is an officer, director, trustee, partner, or employee."

The application of Section 1112 B(3) permits of more succinct analysis than does the application of Section 1111 C(2)(d); accordingly, the Board will consider firstly the provisions of Section 1112 B(3) of the Code.

I.

SECTION 1112 B(3)

"Participate" as used in Section 1112 B(3) of the Code has been defined in Section 1102 (15) of the Code as follows:

"1102. Definitions

* * * * *

(15) 'Participate' means to take part in or to have or share responsibility for action of a governmental entity or a proceeding, personally, as a public servant of the governmental entity, through approval, disapproval, decision, recommendation, the rendering of advice, investigation, or the failure to act or perform a duty."

Clearly, the "ABC" Company will reap a "substantial economic interest"¹ from "A's" "participation" in the consideration by the "XYZ" Parish Council of both the application to rezone property owned by the "ABC" Company as well as the "transaction involving the governmental entity"² culminating in the adoption of resolutions and ordinances

1 Section 1102 (21) defines "substantial economic interest as follows:

"1102. Definitions

* * * * *

(21) 'Substantial economic interest' means an economic interest which is of greater benefit to the public servant or other person than to a general class or group of persons, except:

(a) The interest that the public servant has in his position, office, rank, salary, per diem, or other matter arising solely from his public employment or office.

(b) The interest that a person has as a member of the general public."

2 Section 1102 (23) of the Code defines "transaction involving the governmental entity" as follows: *

"1102. Definitions

* * * * *

(23) 'Transaction involving the governmental entity' means any proceeding, application, submission, request for a ruling or other determination, contract, claim, case, or other such particular matter which the public servant or former public servant of the governmental entity in question knows or should know:

(a) Is, or will be, the subject of action by the governmental entity.

(b) Is one to which the governmental entity is or will be a party.

(c) Is one in which the governmental entity has a direct interest. A transaction involving the agency of a governmental entity shall have the same meaning with respect to the agency."

for the issuance of revenue bonds financing the acquisition and construction of facilities to be leased or sold to the "ABC" Company.

Thus, the Board considers applicable the prohibition in Section 1113 B(3) of the Code. Accordingly, the Board concludes that "A" is prohibited by Section 1112 B(3) from participating in either of the transactions under consideration, i.e., the application to rezone property owned by "A's" employer, as well as the consideration of the resolutions to authorize the issuance of revenue bonds.

The prohibition contained in Section 1112 B(3), however, is subject to the "except[ion] . . . provided in R.S. 42:1120 [Section 1120 of the Code]". Section 1120 provides as follows:

"1120. Recusal from voting

If any elected official, in the discharge of a duty or responsibility of his office or position, would be required to vote on a matter which vote would be a violation of R.S. 42:1112, he shall recuse himself from voting. Notwithstanding the foregoing, an elected official shall not be required to recuse himself if he prepares and files the statement required by this Section as provided herein. In such case, the elected official shall prepare in writing a statement describing the matter in question, the nature of the conflict or potential conflict, and the reasons why, despite the conflict, the elected official is able to cast a vote that is fair, objective, and in the public interest. Such statement shall be filed within three days of the vote with the chief clerical officer of the respective house of the legislature, of the legislative committee, of the governing authority, or of any other body in which the vote is taken, as the case may be, who shall cause the statement to be recorded in the official journal, minutes, or other official record of the body. In addition, the elected official shall be required to file a copy of such statement as it appears in such published or recorded official journal, minutes, or record, to the appropriate ethics body."

It is therefore the Board's opinion that "A", as an elected official, is eligible to exercise the option contained in Section 1120

of the Code of either (1) recusing himself from voting on either of the two proposed transactions or (2) voting on either or both of the transactions while filing the statement required by this section of the Code.

II.

SECTION 1111 C(2)(d)

Section 1111 C(2)(d) provides generally a prohibition against public servants rendering "services for compensation" to those persons from whom the public servant would be prohibited by Section 1115 of the Code from receiving a gift.

The restriction set forth in Section 1111 C(2)(d) is easily analyzed when applied to a public servant who owns a nongovernmental "service" business and is rendering those "services" on a contractual basis to some person from whom the public servant would be restricted by Section 1115 of the Code from receiving a gift.³

This section has not been previously applied by this Board, however, to public servants who are wage-earning or salaried rank-and-file employees of some "person" which has or seeks to obtain contractual relationships with the public servant's agency, from whom (by reason of Section 1115 of the Code) the public servant would be prohibited from receiving a gift.

In construing provisions of the Code, the Board is guided by two compelling considerations:

³ See Ethics Board Opinions Nos. 1, 80-14, 80-37, 80-47 A, 81-28 and 81-58.

First, the Board is aided in its interpretation of the prohibitory provisions of the Code, particularly, by the Legislature's Declaration of Policy contained in the Preamble to the Code at Section 1101 B. There, it is provided that a fundamental purpose of the Code is to insure that governmental decisions are "... made in the proper channel of the governmental structure ..." and that "... public ... employment not be used for private gain"

Second, in interpreting a provision of the Code, the Board attempts to define the evil or mischief's sought to be eradicated by the particular section of the Code under scrutiny; and, having focused its attention on that evil or mischief, the Board interprets that section of the Code in such a fashion as would thwart that evil or mischief, on the one hand, and yet create no unreasonable impediments to public service.

Applying these standards of interpretation to Section 1111 C(2)(d) in the context of "A", a salaried employee of an industrial facility, it is clear to the Board that Section 1111 C(2)(d) was neither designed nor intended to prohibit "A" from continued salaried employment with the "ABC" Company, under the given circumstances, notwithstanding that the "ABC" Company "is seeking to obtain contractual or other business or financial relationships with the ['XYZ' Parish Council]". This ruling is a limited one. The Board rules only that Section 1111 C(2)(d) is inapplicable to those public servants who meet all of the following criteria:

1. The public servant must be a regularly compensated employee of the nongovernmental "person" engaged pursuant to a uniform standard of personnel administration; (i.e., a salaried or wage-earning employee)
2. The salary, wages and other usual employment emoluments of the public servant must be

substantially unaffected by the contractual or other business or financial relationships existing between the nongovernmental employer of the public servant, on the one hand, and the public servant's "agency" on the other hand;

3. The public servant must own less than a "controlling interest"⁴ in his nongovernmental employer; and

4. The public servant must be neither an officer, director, trustee nor partner in this nongovernmental employer.

In the absence of all of these criteria, a public servant receiving compensation for services rendered to a nongovernmental employer will be subject to the prohibition contained in Section 1111 C(2)(d) of the Code.

s/ Joe W. Sanders
Joe W. Sanders, Chairman

s/ Claude B. Duval
Claude B. Duval, Member

s/ Robert L. Roland
Robert L. Roland, Member

Board Members Brown and Fruge absent and do not participate.

⁴ Section 1102 (3) of the Code defines "controlling interest as follows:

"1102. Definitions

* * * * *

(3) 'Controlling interest' means ownership by an individual or his spouse, either individually or collectively, of an interest which exceeds twenty-five percent of any legal entity.